

LNF & IHCIF Calculations Illustration

- **TURTLE MOUNT in Aberdeen area** -

Given Data

- 13,156 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 93.0% = Cost index for purchasing health care in this geographic area
- 98.7% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- \$565 per person for purchased services = $20\% * 93.0\% * \$2,980$
- \$2,342 per person for in-house services = $80\% * 98.7\% * \$2,980$
- \$2,907 per person total = \$565 (purchase) + \$2,342 (in-house)
- **\$3,161 per person total** adjusted for health status = $\$2,907 * 108.7\%$
- **\$2,416 per person net cost** = $\$3,161 - \745 Other resources (M&M&PI)

Existing Expenditures (for 13,156 users excluding wrap-around and collections)

- \$1,511 per person = local IHS allowance (excludes \$ for wrap-around)
- \$203 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,767 per person for OU users** = $\$1,511 + \$203 + \$54$

LNF Calculation

- **55.9% Gross LNF** = $\$1,767$ (expenditures) / $\$3,161$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **73.2% Net LNF** = $\$1,767 / \$2,416$ net cost ($\$3,161 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 73.2% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

TURTLE MOUNT Unmet Needs

- **\$31,779,281 Net Total Need** = 13,156 users * \$2,416 net cost
- **\$8,526,645 Net Unmet Need** = $(100\% - 73.2\% \text{ LNF}) * 13,156 \text{ users} * \$2,416 \text{ net cost}$